

**REMARKS****Election/Restriction**

Applicants withdraw claims 13-18.

**Claim Rejections under 35 U.S.C. § 103**

The Examiner rejects claims 1-8 and 10-12 under 35 USC 103(a) for being unpatentable over Ho (US Publication No. 2005/0069129) in view of Lee (U.S. Publication No. 2003/0078889).

The Examiner states on page 3 that claims 1 and 12 still recite a conditional expression because they contain the term "if." As a result, Applicants amend claims 1 and 12 to replace "if" with "in response to." Applicants respectfully submit that the claims can no longer be construed to contain conditional language.

The key issues of the present invention are that the promoter promotes the virtual product and, therefore, has to associate information relating to the promoter/distributor as defined in pending claim 1, lines 13 to 15. When the buyer (a third party) of claim 1 buys the virtual product from the promoter, then the additional information is created. Importantly, the additional information is created on the basis of the information associated with the reduced version, i.e. on the information relating to the distributor, so that the additional information indicates not only the third party, i.e. the buyer of the virtual product, but also the promoter of the virtual product and that a passing-on of the product has taken place. Due to the fact that this additional information specifically naming the promoter is generated, the reward for the promoter can be sent to the right promoter. In other words, the additional information as defined in claim 1, lines 17 to 22 not only names the buyer of the product, but also the promoter of the

product, so that, in the end, the promoter of the product can be located by the server, so that the server can grant a reward to the right person.

Importantly, as outlined in the last paragraph of page 10 and the first paragraph of page 11, the chance of giving a reward to the right person is the key feature for the functionality of the whole distribution process. If a promoter is unsure about his reward, then he has no motivation to promote anything. Therefore, in order to locate the right promoter when the promotion is successful, the additional information as defined in the last paragraph of claim 1 is generated which, as the main feature, has to indicate that the reduced version of the virtual product has been passed on to the third party by the distributor if the third party has acquired rights to the virtual product after obtaining the reduced version of the virtual product. Based on this additional information, the server can then send a reward to the right person, i.e. to the "distributor" as defined in claim 1.

For the reasons stated below, it will become clear that the prior art references on file do not render obvious the subject matter of the present invention as defined in claim 1. This discussion will also make clear that the present invention as defined in the new independent claims is also not anticipated or rendered obvious by the cited references.

Ho discloses a method of protecting the copyright of digital video work. As outlined in paragraph [0012], a "reduced version" of video work exists, such as gray scale video and a user "must request or buy a specific player and the password" from the distributor of such video work to play the complete information in order to prevent piracy.

As correctly outlined by the Examiner, Ho only discloses that this "video work" exists, which results in a gray scale image when rendered by a non-authorized player. However, Ho does not disclose the following features:

"providing . . . information relating to a distributor of the virtual product, . . ., and the information relating to the distributor being associated with the reduced version of the virtual product."

This fact is already acknowledged by the Examiner on page 3, fifth line of the first paragraph.

Furthermore, Ho does not disclose the following feature of claim 1:

"wherein, on the basis of the information associated with the reduced version, additional information, which indicates that the reduced version of the virtual product has been passed onto a third party by the distributor is created if the third party has acquired the rights to the virtual product after obtaining the reduced version of the virtual product."

As a matter of interest, the Examiner does not comment on this limitation.

According to Ho, when a user requests a specific player and the password, he gets in contact to the distributor, pays an amount and then receives the password and the specific player. This action, however, does not involve the creation of additional information indicating that the reduced version of the virtual product has been passed on to a third party by the distributor. Ho neither discloses a third party nor that "on the basis of the information" as defined in the second paragraph of claim 1 a creation of the additional information takes place. This is not surprising, since the Examiner already concedes that the "information associated with the reduced version" is not disclosed in Ho at all.

Furthermore, any information indicating the distributor of the video work of Ho is not interesting at all. Instead, what is interesting in Ho is that the buyer pays the price to the distributor and receives the password and the specific player from the distributor. Finally, the limitation that the creation of the additional information

takes place "after obtaining the reduced version of the virtual product" does not occur at all in Ho.

Therefore, Ho does not disclose the features relating to the associated information as defined in the second paragraph of claim 1 (as already acknowledged by the Examiner) and does also not disclose the features in the last paragraph of claim 1.

Likewise, Lee does not disclose the features in the second paragraph of claim 1. The idea behind Lee is that as many as possible encrypted files are distributed over any file-sharing locations as possible, so that when a user uses many different file-sharing locations, then the possibility is high that from at least one file-sharing location, encrypted content is obtained by the user, so that the user then addresses the right holder to obtain the key for decrypting this encrypted content in response to a certain payment. In some file-sharing applications, such as Napster, individuals who are eager to not provide their identity, distribute the files. This is due to the fact that one might say that users providing their digital files into such public file-sharing locations might already be committing a crime. Therefore, the users providing their files to the file-sharing locations will definitely try to avoid any personal information associated with a digital file. Therefore, the Examiner's argument regarding his assertion that file-sharing services contain their own media player is unclear. This is not disclosed in Lee and does also not make any sense regarding the limitation in the second paragraph of claim 1 that information relating to the distributor is associated with the virtual product having the reduced quality.

Consequently, the Examiner's interpretation of Lee is not correct.

Regarding the features in the last paragraph of claim 1, Lee does not disclose any information and in this document, creating the additional information would not make any sense, since the distributor of the virtual product in Lee and that a

passing on from the distributor to the third party has taken place is not at all an issue in the context of Lee. Instead, the intention of Lee is that a user, by chance, obtains encrypted content and then addresses the record company in order to obtain the key for decryption in reply to the payment of a certain price.

Any of the specific features in the last paragraph of claim 1, i.e. the feature of "on the basis . . . , has been passed onto a third party by the distributor" and ". . . if the third party has acquired rights to the virtual product after obtaining the reduced version of the virtual product" are not at all an issue in Lee.

For at least these reasons, claims 1-12 are not rendered obvious by the combination of Ho and Lee.

### CONCLUSION

The Applicants respectfully request examination in view of the amendments above and remarks above. Should the Examiner deem it helpful he is encouraged to contact Applicant's attorney, Elizabeth Ruzich, at (650) 474-8400.

Respectfully submitted,



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